



# Hospital District Meeting

Monday, July 20, 2009 • 5:30 p.m.

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## AGENDA

- I. CALL TO ORDER**
- II. INTRODUCTION OF GUESTS**
- III. APPROVAL OF MINUTES**
  1. Minutes for Meeting, June 22, 2009
- IV. REPORTS**
  1. Medical Staff Report-Dr. Robert Cale, Chief of Medical Staff
  2. Finance Report-Bryan Chalmers, CPA, CFO
    - TMC financial review
    - TMC statistical review
  3. DON Report-Cindy Forseth, RN, DON
    - Staffing update
  4. Administrator Report-Ray Gibbons, Administrator
    - License Changes-Regional and State
    - Hospital Trends
    - Regional Salary and Benefit administration
- V. OLD BUSINESS**
  1. Procedure for Appointment of Open Board Positions
  2. TMC Direction Discussion
  3. FYE 2010 Budget-Based on Direction Decision
  4. Mill Levy Request
  5. Monthly work sessions
- VI. PUBLIC INPUT**
- VII. ADJOURN**

Next Board meeting August 24, 2009.

### MISSION STATEMENT

Mission Statement: Teton Medical Center is an institution which provides a quality, stable, efficient, and caring healthcare environment to all those we serve.

### VISION

We will be the finest rural health service provider in Montana.

### VALUES

We value our employees and promote a positive working environment through respect and team work.  
We value our patients and residents by providing compassionate high quality care, respecting their dignity and enhancing quality of life.



Hospital District Board Meeting  
Monday July 20, 2009 at 5:30 p.m.

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**Location:** TMC Board Room

**Present:** Board Members: Gretchen Fitzgerald; Loren Solberg; Justin Lee and Marsha Hinch

**Also Present:** **TMC Staff:** Ray Gibbons, Administrator; Susan Murphy, HIM and Clinic Manager; Dr. Robert Cale; Joyce Lindgren, Board Clerk; Bryan Chalmers, CFO; Cindy Forseth, RN, DON and other staff in attendance on attached sign in sheet.

**Public At Large:** Dr. Michael Doubek; Jack King, *Northcentral Montana Healthcare Alliance*; Laura Goldhahn, *Benefis*; Doug Davenport, *Benefis*; Nancy Thornton, *Choteau Acantha* and Kim Skornogoski, *Great Falls Tribune*. Other public in attendance on attached sign in sheet.

**I. CALL TO ORDER**

President Gretchen Fitzgerald called the meeting to order at 5:35 p.m.

**II. WELCOME/INTRODUCTIONS**

President Gretchen Fitzgerald welcomed staff and visitors.

**III. APPROVAL OF MINUTES**

President Fitzgerald asked if the board members had reviewed in advance the minutes of June 22<sup>nd</sup> and entertained a motion to approve. *Loren Solberg made a motion to accept the minutes as presented. Justin Lee seconded the motion. All voted in favor and the motion passed.*

**IV. REPORTS**

**MEDICAL STAFF REPORT**

Dr. Cale updated the board that the clinic and emergency room are staying busy and doing well. When asked how the Skin Screening Clinic went, Dr. Cale stated there were many that came and took advantage of this service.

**FINANCE REPORT** (*Attachment #1 & 2*)

Bryan updated the board on the 2009 actual financial status. There was a (\$572,008) loss for the 2009 year. Comparing to the 2009 budget and explaining the variance in all categories. When the annual audit is completed the 2009 figures will be final. The annual audit is currently scheduled by Doug Wilson, CPA, Inc. for August 19<sup>th</sup> and 20<sup>th</sup>.

Bryan reviewed the dashboard and pointed out that the CAH accounts receivable days are at 69 days. The nursing home accounts receivable days are at 33. The percent of accounts receivable, less the self-pay, is less than 91 days, 88% of 2009 projections.

#### **DON REPORT**

Nursing home is full at this time: 30 beds currently. The survey deficiencies are being worked on.

#### **ADMINISTRATOR REPORT** (*Attachment #3*)

Ray, with a power point presentation, summarized the CAH Licensure review for fiscal year ending 6/2010, reviewed regional hospital salary and benefit trends for 2010, and presented a North Central Montana hospital overview of the past nine years.

When asked how long it takes to change the licensed beds, Ray stated that after completed paperwork is sent in, the process usually takes about a week.

Ray expressed the difficulty in maintaining the status quo benefits and staffing. There are a number of facilities using furlough programs to ease staffing costs. Ray clarified the furlough program implemented during low census is time off by staff with no pay. TMC is cross training staff to utilize in other departments and is being creative to ease the economic impacts of staffing.

Ray reviewed the membership benefits of the Montana Healthcare Association and also the Northern Montana Healthcare Alliance. These networks help develop policies relating to Federal tags for administration, patient care, infection control, credentialing, performance improvement and annual program evaluation.

In looking toward the future, Ray explained that changes are coming from state and federal regulations in the form of healthcare reform. Continuity of Board, medical staff and administration through the regular times and difficult times is an important factor in sustainability.

President Fitzgerald opened the floor for public input. A question to Ray was, to be eligible for state or federal funding is TMC required to advertise publicly for employment positions. Ray informed the board and public that all positions currently are posted internally and advertised publicly, and applications are accepted for review. Interviews with candidates and hiring are conducted after this process.

#### **V. NEW BUSINESS**

Loren gave an update from a meeting with the Teton County Commissioners. Loren, Ray, and Gretchen attended a meeting with the commissioners to discuss the TMC budget dilemma and to request additional money from them. At this time the commissioners are doubtful that they could help with more funding. It was also discussed if TMC emergency room ceased to exist, the burden of emergency medical services would be on the county. Commissioners expressed the difficulty they have in maintaining volunteers in the EMS program services. Most likely they would have to seriously consider funding a county EMS program with paid professional staff to provide that service to the county. Not knowing exact costs, they did acknowledge that it would probably cost as much if not more than the mill levy request that TMC asked for in their last mail ballot issue.

Also, Loren reported on letters the board had received from Sally Lee, Jackie Weist and Eva Anseth. Loren thanked them for the letters which were very nicely written. Loren

highlighted a few questions which he felt were important. First he felt from the letter that there is still confusion on the TMC and GFC situation. Loren stated that he went to the TMC web site and reviewed the past years board minutes and actions taken. Loren felt that they were complicated situations and pointing fingers at TMC was not warranted. The progression of all the events that were presented before the TMC board was very difficult and complicated to resolve. It is very difficult to blend a non-profit 501(c)(3) with a for-profit organization. Regulations are different for each entity and the priorities are very different. The entire board expressed their hope that the public can see that TMC is trying to work with the GFC towards providing quality healthcare. Another item referenced in the letters was White Sulphur Springs. Loren admitted he was not familiar with that hospital's specifics to make any comment, and stated he would explore that more. Also suggestions were made that, if another mill levy was sought, TMC should disclose what it has done to cut costs before the voting, and should seek to provide more specialty services to the community. Loren thanked them again for the letter and expressed how important it is to continue the dialogue, and encouraged anyone that has questions or comments to contact him or any of the board members.

## VI. OLD BUSINESS

1. Marsha Hinch presented a proposed policy for the appointment of a board member to fill a vacancy. Marsha, Justin and Melody Martinsen met and did some research on any existing policies on appointments to boards. They were unable to find anything so they consulted with Paula Jaconetty, the Teton County Clerk and Recorder, on election criteria. Paula suggested the application used for candidates which is very simple with basic information.

Marsha reviewed the policy she had drafted on the procedure to fill a vacated board position. Discussion took place by the board on the newspaper notice, applications, and interview process. Loren recommended having the county attorney Joe Cobel type a letter to the board on the elected term of the replacement board member. Justin agreed to follow up with the county attorney. Also, the board suggested changing #3 of the procedure to state: an interview shall be scheduled for all applicants at either a regular or special open public meeting of the board of trustees, and a decision shall be made at/or before the next general board of trustees meeting. President Fitzgerald called for a motion and vote. *Justin made a motion to accept the procedure to replace a vacant board of trustee position as revised. Loren seconded the motion. All voted in favor and the motion passed.*

2. TMC Direction. Bryan Chalmers, CFO, reviewed a power point of the side by side budget with Benefis management option, as directed by the board at the July 13 board of trustees work session. The comparison was using the FYE 2008 cost report. Results were discussed that the TMC FYE projected budget net loss would be (-\$462,145) and Benefis FYE projected budget net loss would be (-\$360,146).

Ray continued presenting from a management standpoint. Highlighted points were that TMC currently has a greater degree of local board control and, as a result, a better opportunity for the creation of the CFO Community Clinic option, and he suggested that TMC continue and enhance the current collaborations with Benefis Health System, GFC, NWHC and St. Patrick Healthcare and also local purchase of property/vehicle and D&O

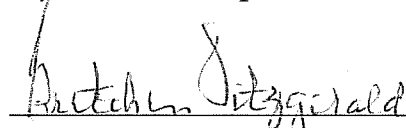
insurances. Also he pointed out that among all models the degree of loss is consistent, and we will need nonrevenue income to keep break-even status.

The board had additional discussion on what would be the best direction to take and asked for information on a mill levy request. Marsha Hinch stated it would be irresponsible of the board if it did not take this time to move forward and pursue a single clinic model and keep the hospital at the same level of services. President Fitzgerald wanted to thank the very generous donors of the Foundation. If it was not for their generosity and support, we would not have this opportunity to explore further our options. President Fitzgerald also applauded all participants in the work sessions, and the public for their input, and asked the board if they were ready to make a motion. The board further discussed the various parts of the "go forward" option that should be included in directions for the administrator. *Loren made a motion to direct the administrator to work on the "go forward" model, including collaboration and cooperation with other entities to create a collaborative coalition driven single clinic and to pursue specialty provider services. Marsha seconded the motion.* President Fitzgerald asked for public input. After accepting public comment on the motion President Fitzgerald called for a vote. *All voted in favor and the motion unanimously passed.*

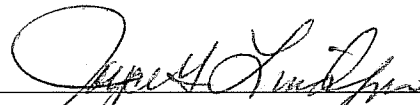
President Fitzgerald made the announcement that the next TMC open Work Session will be in August with one topic of "how to achieve a one clinic model in Choteau." The date is to be determined. The date will then be announced in the newspaper and sent to the board.

## VII. ADJOURNMENT

Loren made a motion to adjourn meeting, Justin seconded the motion. Meeting adjourned at 7:35 p.m. Next regular meeting is August 24, 2009 at 5:30 p.m.



Gretchen Fitzgerald, President



Joyce Lindgren, Board Clerk